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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re:

Case No.: 24-10571-jpm
Chapter 11 – Subchapter V

INSOURCE SUPPLIES LLC,

Debtor.

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**BRIEF OF CFBANK, N.A. IN SUPPORT OF MOTION JOHN T. HILLYER OF
HILLYER GROUP, LLC, CUSTODIAN, FOR ORDER (I) EXCUSING
COMPLIANCE WITH THE TURNOVER REQUIREMENT OF 11 U.S.C. § 543 AND
(II) GRANTING RELATED RELIEF (ECF Doc. # 14)**

Creditor CFBank, N.A. (“CFBank”) hereby submits this brief in support of John T. Hillyer of Hillyer Group, LLC (the “Custodian”)’s motion for an order (i) excusing compliance with the turnover requirement set forth in section 543 of title 11 (the “Bankruptcy Code”) of the United States Code for the reason that the interests of creditors would be better served by permitting the Custodian to continue in possession, custody and control of such assets and (ii) granting related relief under sections 362 and 543(c)(1) and (2) of the Bankruptcy Code (“the Motion”).

To put it bluntly, Insource Supplies LLC (“Debtor”) has provided CFBank information regarding its receivables that is at best misleading and at worst fraudulent. CFBank does not believe Debtor should be left with control over its assets, which are the sole collateral CFBank has for the \$1.6 million debt Insource owes CFBank. As the Custodian has identified, Debtor refused to cooperate with the Custodian’s administration of his duties in the Summit County, Ohio case, CV-2024-02-0868. (Custodian’s Motion to Excuse Compliance, ECF Doc. # 14, 3.) Custodian’s communications with account debtors have revealed that many, if not most, of these account debtors deny owing Debtor money and in some cases deny ever ordering supplies from Debtor. Under these circumstances, CFBank and Debtor’s other creditors are better served by having Custodian remain in control of Debtor’s assets.

Given Debtor’s past and ongoing misrepresentations regarding its receivables, the Court should not permit Debtor to act as debtor-in-possession. Accordingly, the Court should grant Custodian’s Motion and excuse the Custodian from the requirement to turnover the assets of the Debtor, allow the Custodian to continue to exercise his powers as receiver, and provide protection to the Custodian for reasonable compensation.

Respectfully submitted,

/s/ Daniel A. Yarmesch

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that notice of the foregoing BRIEF IN SUPPORT OF MOTION OF JOHN T. HILLYER OF HILLYER GROUP, LLC, CUSTODIAN, FOR ORDER (I) EXCUSING COMPLIANCE WITH THE TURNOVER REQUIREMENT OF 11 U.S.C. § 543 AND (II) GRANTING RELATED RELIEF was given by the Court's automatic noticing system to all parties having requested notice herein, including the parties listed below.

/s/ Daniel A. Yarmesch

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